GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:208
ANSWERED ON:13.03.2008
SUPPLY OF LNG FROM IRAN
Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Iran has proposed a fresh formula to break the logjam over the pricing issue of a 25 year old contract to supply five million tonnes of LNG per annum;

(b) if so, the details thereof;

(c) whether the deal is pending as the Iranian firm, National Iranian Oil Company has sought a higher price;

(d) if so, whether the National Iranian Oil Company has agreed to the formula suggested by the Iranian Government; and

(e) the time by which the new formula will come into existence?

Answer

MINISTER IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI MURLI DEORA)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 208 ASKED BY SHRI ANANDRAO V. ADSUL & SHRI RAVI PRAKASH VERMA, MPs TO BE ANSWERED ON 13TH MARCH 2008 REGARDING SUPPLY OF LNG FROM IRAN.

(a) to (e): Oil sector PSUs, viz., GAIL (India) Limited, Indian Oil Corporation Limited (IOCL) and Bharat Petroleum Corporation Limited (BPCL), have signed contracts with National Iranian Gas Export Company (NIGEC) on June 13, 2005 for import of 5 MMTPA LNG, which is scheduled to commence from 2009. Simultaneously, the parties also signed a side-letter to the LNG Sale Purchase Agreement (SPA), as per which NIGEC had to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the SPA to become effective. NIGEC has informed that NIOC's Board has not given its approval till now. Government is pursuing the matter with Iranian authorities for expediting the implementation of the deal. No fresh formula has been formally proposed by Iran in this regard.